

HOUSE BILL 2693  
By Armstrong

AN ACT to amend Tennessee Code Annotated, Title 71, Chapter 5,  
relative to the implementation of TennCare assist.

WHEREAS, the cost of providing health care services to individuals without employer-sponsored health insurance has been shifted to the government through the TennCare programs and publicly-funded hospitals and clinics; and

WHEREAS, the general assembly finds that working Tennesseans should have access to health insurance and to the increased standard of living health insurance coverage provides; and

WHEREAS, the general assembly finds that controlling health care costs can be more readily achieved if a greater share of working people and their families have employer-sponsored health benefits; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 5, is amended by adding Sections 2 through 6 of this act as a new, appropriately designated part thereto.

SECTION 2. The title of this act is, and may be cited as, the "TennCare Assist Implementation Act."

SECTION 3. As used in this act, unless the context otherwise requires:

(1) "Dependent" means the spouse or minor child of an enrollee, or a child eighteen (18) years of age and over who is dependent on the enrollee, as specified by the bureau of TennCare.

(2) "Enrollee" means a Tennessee resident employed for at least twenty (20) hours per week on average, who has worked for that employer for no less than six (6) weeks, and who is making no more than the federal minimum wage per hour. An

enrollee must not be eligible for health insurance from any other source, including as a dependent of another person or as an optional employment benefit.

(3) "Monthly cost" means the total monthly cost per enrollee to administer the TennCare programs, as determined by the bureau of TennCare.

SECTION 4. The bureau of TennCare is authorized to implement TennCare assist in accordance with this part, subject to funding by the general assembly.

(a) The bureau of TennCare is authorized to seek any amendment or modification to the terms and conditions imposed by any applicable waiver under section 1115 of the federal Social Security Act issued by the United States department of health and human services for the administration of the TennCare standard program that is necessary for implementation of the Tennessee health coverage plan. The bureau of TennCare must implement TennCare assist in accordance with the terms and conditions of any such waiver or waiver modification.

(b) At the option of an employer, the employer may offer TennCare assist as an optional health insurance benefit to qualifying employees, provided that the employer offers other optional health insurance benefits to all of its employees who are not eligible for TennCare assist and who have been employed at least twenty (20) hours per week on average for at least six (6) weeks. Notwithstanding any statute or rule to the contrary, an employee who meets the definition of enrollee and such employee's dependents will be eligible for TennCare assist if the enrollee's employer is a participating employer in TennCare assist.

(c) Benefits provided to enrollees in TennCare assist must be identical to those provided to enrollees in TennCare standard. The cost of providing TennCare assist to the enrollee will be paid as follows: Each month, the enrollee is responsible for paying thirty percent (30%) of the monthly cost, as determined by the bureau of TennCare, provided that the enrollee's contribution does not exceed forty dollars (\$40.00) per month. The remaining monthly cost must be divided evenly between the employer and the bureau of TennCare, subject to funding by the general assembly and the terms and conditions imposed by any applicable waiver.

(d) If an employer is participating in TennCare assist, each of its employees who is eligible for TennCare assist and chooses to enroll in the program must be enrolled only in TennCare assist and cannot be enrolled in any other TennCare program. The employer must pay its portion of the monthly cost for each enrollee, even if the enrollee could have successfully applied or did successfully apply for TennCare medicaid or TennCare standard prior to such enrollee's employment.

(e) An employer participating in TennCare shall not willfully encourage or allow any eligible employee to enroll or remain enrolled in TennCare medicaid or TennCare standard rather than enrolling in TennCare assist. A violation of this subsection is a Class A misdemeanor.

(f) To the extent permitted by federal law or the terms of any applicable waiver, the bureau of TennCare may establish an open enrollment period for employers to sign up for participation in TennCare based on appropriations from the general assembly, and may establish an enrollment fee for employers and/or for individual enrollees to defray administrative expenses associated with the program.

(g) To the extent permitted by federal law or the terms of any applicable waiver, the bureau of TennCare may contract with another department or a private entity to conduct eligibility determinations.

SECTION 5. The bureau of TennCare is authorized to promulgate rules to effectuate the purposes of this act. All such rules shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 6. Except as expressly stated, nothing in this act shall be construed to diminish or otherwise change existing protections in law for persons eligible for public programs including TennCare medicaid and TennCare standard.

SECTION 7. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 8. This act shall take effect January 1, 2005, the public welfare requiring it.